



## ***AOT in Action***

Welcome to AOT in Action, your weekly e-newsletter from the Arizona Office of Tourism (AOT).

### **A Message from Director Sherry Henry:**

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Good afternoon,

Congratulations to the Arizona Super Bowl Host committee for all their hard work and winning the bid to host Super Bowl XLIX in 2015!

We couldn't be more thrilled that this dynamic event will be played at the University of Phoenix Stadium in Glendale. Hosting events like the Super Bowl are tremendously beneficial because of the incredible exposure Arizona gets as a vibrant destination. In addition to the vast media coverage, thousands of visitors will travel to the state and contribute to our economy.

Have a great week!

Sherry Henry  
Director, Arizona Office of Tourism

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### **AOT News**

#### **Make it *your* "Big Year", Discover Local Birds!**

[The Big Year](#), produced by 20th Century Fox, opens in theatres nationwide on Friday, October 14, 2011. The new movie starring Steve Martin, Owen Wilson and Jack Black features America's second fastest growing hobby after gardening – birding.

In [The Big Year](#), an extraordinary race becomes a transformative journey for wealthy industrialist Stu (Steve Martin), computer code-writer Brad (Jack Black), and successful contractor Kenny (Owen Wilson), who race across the continent on a "Big Year," a whirlwind

competition to see who can identify the most species of birds in North American within one calendar year.

The film offers a tremendous opportunity to introduce non-birders to the wonderful world of bird watching. There are now 48 million birders in the United States. For Arizona, birding has become a major tourism activity. The US Fish & Wildlife Service 2006 Survey ranks Arizona second, only to Colorado, in revenue generated from Wildlife Watching, in the Mountain States!

On the day of the movie release, the Arizona Office of Tourism will be distributing a press release to statewide, national and international markets filled with information about the birding activity that can be found throughout Arizona.

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## Upcoming Events & Activities

### [Celebrate the Centennial: Capital Arizona Press Trip](#)

Date: October 24 – 29

Location: Prescott, Tucson and Phoenix

### [Celebrate Arizona 100 Years AAA/CAA FAM Tour](#)

Date: November 9 – 13

Location: Greater Phoenix Area, Prescott, Tucson

### [New York Media Marketplace](#)

Date: November 15, 2011

Location: New York City, NY

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## Industry News

### **Dreamliner: Changing Entire Travel Industry**

The long-awaited arrival of Dreamliner changed not only air travel but all aspects of the travel industry, according to some observers.

"You will not notice it by searching on Expedia (or Google, for that matter) or checking-in at your favorite hotel, or even boarding a flight, but the travel world changed this week," writes Evan Konwiser in Tnooz.

"You have no idea what you've achieved," Boeing Executive Vice President and CEO of Boeing Commercial Airplanes Jim Albaugh told company workers in a ceremony commemorating the delivery of the first plane to Nippon Airlines.. "It's not often in a career or a lifetime we have a chance to do something like this."

"The 787 Dreamliner is the biggest innovation in commercial aviation since the Boeing 707 introduced the world to passenger jet travel more than 50 years ago," said Jim McNerney, Boeing chairman.

Just two important reasons: "Because it's also set to consign airsickness and jet lag to history," say The Independent.

Konwiser, co-founder of FlightCaster and general manager of travel at Next Jump, and others point out that airline travel today is often as "cramped drudgery." But the new planes should change all that.

Boeing spent an estimated US\$32 billion and ten years of research by psychologists and architects to improve the passenger experience.

New airplanes have come and gone but the Dreamliner starts new era in aviation where the vehicle itself will impact booking decisions. There are several reasons:

- This plane will fly 2,000 feet lower than any other jetliners. Passengers will sleep more soundly because of increased and no longer feel dehydrated.
- The new plane will connect cities that previously could not be linked by non-stop travel. Why? Because of its lower cost and range. These flights should involve competitive prices.
- Bigger windows with electronic window shades will improve the flight experience and perhaps probably influence passenger's choice of airlines and routes. Seats will be wider.
- But down the road, the 787 will also influence others in the airline business to continue innovations to make travel more comfortable and even more affordable.

Ticket prices will not go down but once Boeing delivers the entire 800 units under its contract. And observers say prices are not likely go down. Better Fuel efficiency should encourage carriers to lower prices in the future, however. (*Travel Mole, October 4*)

### **U.S. Travel Association Supports Senate Visa Reform Bill**

The U.S. Travel Association is supporting new legislation that would help bring more travelers to the U.S. and create jobs as a result. The "International Tourism Facilitation Act," introduced by Tourism Caucus Co-Chairs Sens. Amy Klobuchar (D-Minn.) and Roy Blunt (R-Mo.), calls on the State Department to respond to demands placed on consular services by increased travel demand to the U.S. and provides incentives for the State Department to use its resources more effectively.

While the State Department currently has a goal of interviewing all visa applicants within 30 days of their application submission, it has failed to meet this performance standard in key markets over the past decade -- a problem that will grow as demand rises. The Act gives the State Department greater flexibility to reinvest fees charged for visas in order to spend new funds on personnel needed to process visas more efficiently.

Additionally, the legislation allows the State Department to waive visa interviews for three additional years (four years total) for individuals who previously held a U.S. visa. This provision would allow the State Department to focus its resources on people never previously vetted. Finally, the bill instructs the State Department to provide Congress short and long-term plans to meet the forecasted demand for visas through 2020 in Brazil, China, and India in order to ensure it is fully prepared to meet continued growth in visa demand.

By failing to keep pace with growth in global long-haul international travel between 2000 and 2010, the United States lost the opportunity to welcome 78 million more visitors and generate \$606 billion in direct and downstream spending -- enough to support more than 467,000 additional U.S. jobs annually over these years. Recapturing America's historic share of worldwide overseas travel would create up to an additional 1.3 million U.S. jobs by 2020 compared with 2010 and produce \$859 billion in cumulative additional economic output. For more information, visit [www.smartervisapolicy.org](http://www.smartervisapolicy.org). (*Travel Pulse*, October 4)

### **Survey of Affluent Finds One in Three Planning to Take Holiday Trips**

The new Survey of Affluence and Wealth in America, produced by Harrison Group and American Express Publishing, shows that the country's affluent consumers expect to focus on relationships and experiences rather than material gifts during the holiday season. The survey sampled 769 affluent Americans with discretionary household incomes ranging from \$100,000 to over \$1 million.

For the majority of affluent consumers (69 percent) the gifts they buy need to have "lasting, enduring value." It would seem that experiences fit the bill, including travel experiences. One in three are planning to take a special trip this holiday season as a gift for their family, one in five would like the gift of travel as a gift for themselves and 13 percent would like a gift certificate to a restaurant. Furthermore, 28 percent of all affluent consumers are looking to "splurge on a special holiday gift" for their family -- a rate that rises to 40 percent among the wealthiest consumers, with discretionary incomes of \$250,000 or more.

Affluent households representing the top 10 percent of American wage-earning households are expected to account for 23 percent of the total 2011 holiday spend (\$68.74 billion) this season. Gift-giving budgets of affluent families are down, resulting in an overall decline of \$1.04 billion (a 6.1 percent drop) in gift-giving intentions among affluent and wealthy families, compared to 2010. This decline is led by those with discretionary incomes of \$100,000 to \$250,000, whose holiday spending budgets are projected to be 17 percent lower than in 2010. On the other hand, expenditure on gifts will be up 7 percent (to an average of \$2,708) among those at the very top of the income spectrum, with discretionary incomes of \$250,000 or more.

Seven percent of affluent families report they are increasing their spending this year by an average of 33 percent for a 2011 gift-giving budget of \$3,887 on average. On the other hand, the 14 percent of those surveyed that plan to spend less expect to spend an average of \$884 this year. For added context, the study also polled 839 consumers in a general population sample. Non-affluent consumers that were surveyed plan to spend an average of \$558 on gifts this holiday season, with 28 percent of the general population expecting to spend less on gifts than they did in 2010.

According to the survey, the declines among the affluent population are not the result of increased anxiety over personal financial situations. Twenty-nine percent of affluent consumers report that their household income is up over last year and 30 percent say the same about their assets. Eighty-four percent say they are confident that they have the financial resources to weather a continuation of the recession or a double-dip recession. One in five affluent consumers say they are happier now than they were a year ago, and 76 percent testify that they are a “lucky” person.

“After four plus years of reprioritizing and realigning their spending to match their values, affluent consumers are feeling quite good about themselves and their ability to maintain -- and even increase -- their family’s happiness and well-being,” said Dr. Jim Taylor, vice president of Harrison Group.

Eight-four percent of affluent Americans indicate that they are determined to make this holiday season a great one for their family. Eighty-one percent say that the best part of the holidays are spending time with the people they care about, versus either giving (15 percent) or receiving gifts (3 percent). “Expressions of happiness are being increasingly decoupled from the desire to acquire more and more things,” Taylor said. “The search for the holiday spirit no longer centers on the search for ‘stuff’ -- it resides in family and in simplicity.”

Fifty-seven percent of affluent consumers say they are looking to buy fewer gifts this holiday season. Among the 14 percent who say they are trimming their gift budgets, 57 percent say this is because they “just don’t need as much stuff.” This response is up 14 points from last year. In 2010, the number one response to this question was “worried about the economy” (this answer is down 21 points in 2011 from 68 percent to 47 percent).

A significant percentage of affluent consumers, 31 percent of men and 49 percent of women, say it is very or extremely likely that they will purchase for themselves as they are buying for others. This may be because husbands and wives are not likely to see their “wish list” fulfilled by their spouses. Thirty-six percent of wives would like jewelry as a holiday gift while only 27 percent of husbands plan on giving gifts in this category. Twenty-two percent of married women would like a spa treatment, while only 11 percent of married men plan on giving this gift, and 25 percent of wives want a gift card to a specific retailer with only 12 percent of husbands saying they will purchase this for their wives. But the biggest disconnect, according to the survey, is in the most common gift that wives plan on giving their husbands: 47 percent of wives say they will buy apparel for their husbands, but only 21 percent of husbands have put this on their wish list. (*Travel Pulse, October 5*)

### **Lawmakers Grapple with Critical Tourism Issues**

Lawmakers in Washington, DC looked at some neglected tourism action as a bill was introduced in Congress to halt the stall in overseas visitors and a debate intensified over President Obama’s efforts to raise airline taxes.

United States Sens. Amy Klobuchar (D-Minn.) and Roy Blunt (R-Mo.), who head up the Senate Tourism Caucus, introduced a measure that would speed up the wait for visas for foreign travelers entering the US.

"By making it easier to travel to the United States without compromising important national security safeguards, we can stimulate local economies and help our businesses grow and thrive," Klobuchar said.

A growing and often neglected problem for US tourism is long wait times to receive a tourist visa. In countries such as Brazil, that wait can last up to 150 days, according to recent reports.

In 2010, each overseas visitor to the US spent an average of US\$4,000 during their stay, the senators said. The industry added nearly 106,000 jobs in the first seven months of 2011, representing 10 percent of all jobs created so far this year.

"The international travel industry has grown by 40 percent over the past decade," Blunt said. "Unfortunately, America's share of the international travel market has remained stagnant, in part due to our country's visa policies," he said.

"Over the last decade, the number of travelers worldwide has increased by 60 million, but the number visiting the United States has not kept up with that growth," writes Robert Amano, a hotel executive in the LA Times. "And our main competition for foreign travelers, such as England and France, are reaping the economic benefits."

One of the biggest obstacles to increasing the number of foreign travelers is a burdensome visa system, he writes. He uses the example of China, where those who want to visit here often face waits of more than 145 days.

Meanwhile, in Washington, the airline industry continues to warn against tax and fee increases proposed by President Obama.

The Air Transport Association of America (ATA) said Obama's proposal to increase passenger security fees and add a new US\$100 per takeoff charge to airlines would harm the industry

The administration also wants to increase passenger security screening fees from \$2.50 per passenger to \$5 per passenger.

"Airlines worry the increased costs will hit their fragile bottom lines and discourage business and leisure travel in an already frugal environment. The fees are part of Obama's deficit reduction plans," writes the Phoenix Business Journal.

"The proposed new taxes will impact fares and reduce service, which equates to a one-way ticket to the unemployment line for thousands of Americans," said ATA President and CEO Nicholas Calio. ATA worries the new taxes will prompt airlines to cut flights by 2.3 percent. (*Travel Mole, October 5*)

### **Biz Travel Continues to Drive Hotel Demand**

Driven by business travelers, hotel demand for the rest of the year "will continue to be strong," says TravelClick's September 2011 North American Hospitality Review.

"Business travelers continue to drive strong hotel performance, which has been the case over the course of 2011," says TravelClick.

For the next twelve months, committed occupancy is up two percent year-over-year, while average daily rate (ADR) is up 4.8 percent, and revenue per available room (RevPAR) is tracking ahead by 6.1 percent, the report says.

The top five strongest US markets are Detroit, Indianapolis, Philadelphia, Seattle and Chicago.

Markets with negative occupancy growth included Washington, Honolulu, Minneapolis-St. Paul, Denver and Miami.

"As the late summer leisure travel season comes to a close, it is clear that the business travel segment will resume its role as the primary demand driver for US hotels throughout the rest of 2011," said Tim Hart, executive vice president, Business Intelligence, TravelClick.

He added, however, that group travel has slowed in the past month.

"It will need to be determined whether this slower pace is an aberration, or indicates a true slowdown in group demand," he said. (*Travel Mole, October 5*)

### **Travel Outlook Strong for Remainder of 2011**

Data from the June 2011 TravelClick North American Hospitality Review, detailing hotel bookings currently reserved during the period, May 31, 2011 through May 31, 2012, reveals that business travel is leading the way in the hospitality industry followed by leisure and then group travel. The data also revealed that across key U.S. market segments, industry revenue per room (RevPAR) is up 5.7 percent compared to the same time period last year. The Miami (16.9 percent), San Francisco (16.3 percent) and Houston (11.3 percent) markets all show double digit RevPAR growth. Overall committed occupancy is up two percent and average daily rates (ADR) are up three percent. The data was compiled by TravelClick. TravelClick's business intelligence division provides comprehensive, forward-looking market intelligence to the global travel industry.

TravelClick's North American Hospitality review also revealed that 9.8 percent fewer hotel rooms were booked during May 2011 as compared to May 2010. Group sales – large blocks of rooms purchased long before travel occurs – were a major contributor to this decline with 42 percent fewer rooms booked compared to May 2010.

#### *Summer Business Travel*

For the summer (June – August, 2011), business travel demand is up 7.4 percent year-over-year. ADR for this segment is up 4.5 percent. Markets with the largest increase in occupancy year-over-year include: Detroit (26.8 percent); Minneapolis-St. Paul (17.2 percent); Charlotte (16.6 percent); Boston (14.2 percent) and Atlanta (14.1 percent).

#### *Market by Market*

The markets showing the most improvement in overall occupancy (business, leisure and group travel) for the next 12 months compared to last year include Indianapolis (7.8 percent improvement), Philadelphia (6.3 percent improvement) and San Francisco (7.1 percent improvement). The markets showing the least amount of improvement in occupancy as compared to last year are Honolulu (5.7 percent decline) and San Antonio (3.4 percent decline).

### *Q2 – April 2011 – June 2011*

For the second quarter of 2011 (April -June, 2011), RevPAR is up six percent compared to 2010. ADR growth remained modest, increasing 2.8 percent, while occupancy increased 2.4 percent. Detroit had the largest increase in occupancy for the quarter, up 9.6 percent compared to last year. San Francisco reported the largest increase in ADR, a 9.1 percent year-over-year hike.

### *Third Quarter 2011 (July 2011–September 2011)*

Committed occupancy for the third quarter of 2011 is up 0.8 percent compared to the same time last year with transient bookings continuing to lead the way – 3.4 percent ahead of last year. Group committed occupancy is relatively unchanged with a 0.2 percent decrease.

The TravelClick North American Hospitality Review is based on reservation and committed group sales data by hotel companies participating in TravelClick's MarketVision Demand Position Product that include: Gaylord, Hilton, Hyatt, InterContinental, Loews, Marriott, Omni and Starwood. The data is collected in 25 major North American markets, representing 202 million annual room nights and \$27 billion in annual room revenue. TravelClick is the only business intelligence provider that provides comprehensive forward-looking data, based on real bookings, to hoteliers around the globe. (*Travel Daily News, October 6*)

### **Many Facilities on Grand Canyon's North Rim to Close for Season on October 15**

The staff on the North Rim of Grand Canyon National Park will begin to shut down most visitor services and facilities on Saturday, October 15; but the North Rim will remain open to visitors through November 27 or until snow closes Highway 67 leading into the park.

Reservations for the Grand Canyon Lodge North Rim, operated by Forever Resorts, will be accepted through the night of October 15. All other concessioner-related visitor services, with the exception of the gift shop and gas station, will close at the end of the day on October 15. The last meal served at Grand Canyon Lodge will be breakfast, which ends at 10:00 a.m. on October 16. The final day for mule rides on the North Rim will be October 15. Self service gas and diesel fuel will continue to be available in the park through November 27 or until Highway 67 closes.

The National Park Service's North Rim Visitor Center and Bookstore as well as the Backcountry Permit's Office will remain open through November 27. From October 16 until closure, operating hours will be 9:00 a.m. until 4:00 p.m. Regularly scheduled ranger-led programs, as advertised in "The Guide," will be offered through October 15. Starting October 16, campsites with limited services, such as portable toilets, will be available for a \$12 fee on a first-come, first-served basis. Water will only be available outside the National Park Service administrative office. Entrance fees and campground fees will be collected through the end of the day on November 27 or until snow closes Highway 67.

Starting November 28, at 8:00 a.m., the gates to the park will be closed to motorized vehicles. Hikers and cross country skiers are still welcome to enter the North Rim of the park throughout the winter months, providing backcountry permits have been obtained through the park's South Rim Backcountry Information Center or at the Visitor Center at Pipe Spring National Monument, located in Fredonia, Arizona. The South Rim Backcountry Information Center is open year-round



and can be reached by calling (928) 638-7875, Monday through Friday, from 1:00 p.m. to 5:00 p.m. MST. Permit requests can be faxed year-round to (928) 638-2125. Backcountry information can be found on the park's Web site at <http://www.nps.gov/grca/planyourvisit/backcountry.htm>.

The Kaibab Lodge, located four miles north of the park boundary, will have full services through October 31. The Kaibab Lodge will close for the season after breakfast November 1. The North Rim Country Store, also located outside of the park boundary across from the Kaibab Lodge, will remain open until noon November 1, weather permitting.

Jacob Lake Inn, restaurant and gas station, located 45 miles from the North Rim developed area, remains open year-round. The Kaibab Plateau Visitor Center at Jacob Lake will have reduced hours starting mid-October.

Arizona Department of Transportation officials will try to keep Highway 67 open through the end of November, but a major storm with heavy snowfall could close the road earlier. After October 15, visitors are encouraged to call Arizona Highway information at (888) 411-7623 in advance of their trip to check on the status of Highway 67.

The South Rim and Inner Canyon facilities remain open year-round.

Visitors can contact the North Rim Visitor Center at (928) 638-7864 for additional information on North Rim operations. For additional trip planning information, visit the park's website at [www.nps.gov/grca](http://www.nps.gov/grca) or call the park's main information line at (928) 638-7888.

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### **Calendar of Events**

Visit [www.ArizonaGuide.com](http://www.ArizonaGuide.com) to find information on all the exciting [events, festivals and activities](#) held throughout the Grand Canyon State!

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